

# CORPORATE REPORT

TO THE COMMUNITY

FISCAL YEAR ENDING DECEMBER 31, 2008, AND BUDGET YEAR 2009



## STEADY AS WE GO CITY REMAINS FINANCIALLY STRONG

By Mayor Gene Winstead

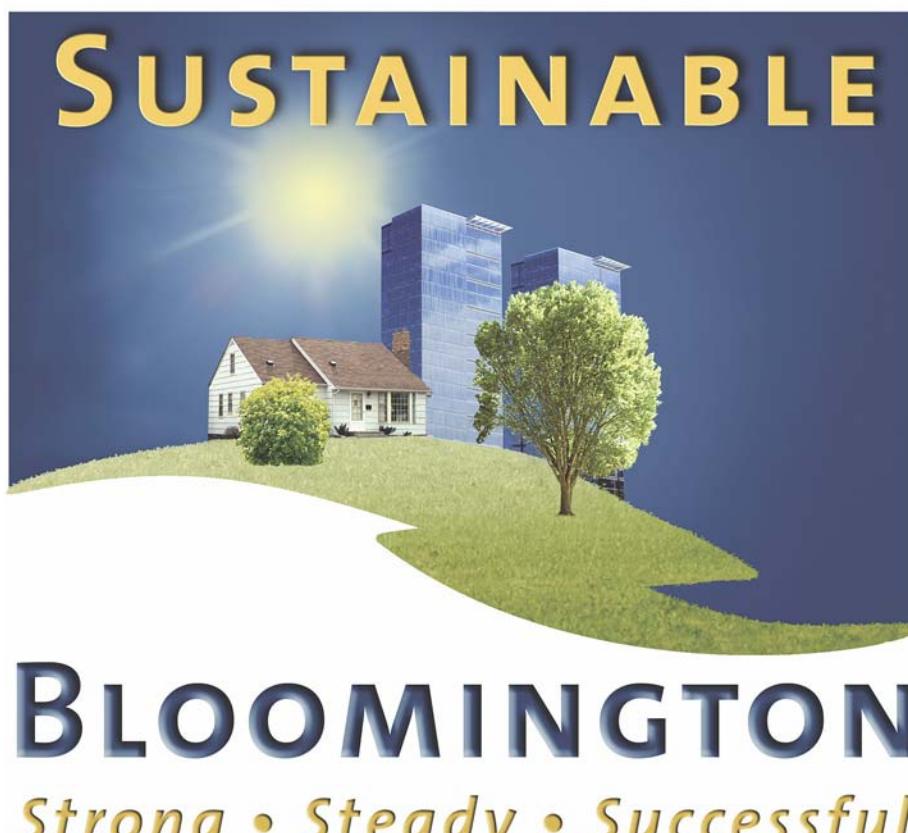
**W**HEN WE THINK in terms of sustainability we think about the things we do out of concern for the environment. But sustainability also means managing our city in a fiscally sound manner in order to meet our community's future needs.

The City prides itself on solid financial planning and using a "steady as we go" approach to the cost of property tax-supported services – meaning that incremental adjustments are made slowly and on an as-needed basis. In addition, the City uses a "pay as we go" approach to spending and doesn't defer payment on projects that can increase the costs in the long run. This approach was instituted during the economic downturn in the late 1990s. When it comes to staffing, every position is carefully analyzed. The City engages only the number of employees that can be supported through an economic downturn.

In Bloomington, revenue has remained strong and generally outperformed budget expectations. This is due to the City modeling most of its major funds over a 5- to 10-year timeframe and anticipating that there would be economic cycles in those timeframes. The City developed strategies in the 1990s to deal with normal cycle variation.

The City's financial position and conservative spending pattern have helped keep tax increases low as evidenced by the City maintaining the highest bond ratings from Standard and Poor's, Moody's, and Fitch credit rating agencies. See page CR6.

The City Council adopted a final property tax levy for 2009 of \$43,315,480, an increase of 3 percent over the 2008 levy, and approved the 2009 General Fund Budget of \$54,759,553, a 5.32 percent



## BLOOMINGTON

*Strong • Steady • Successful*

increase. Other fund budgets, including Enterprise, Internal Service and Special Revenue Funds, were also approved by the City Council in 2008.

The budget for fiscal year 2009 is a strong financial plan that will move Bloomington toward its long-term goals. Efforts to provide housing alternatives and revitalize commercial areas with sustainability in mind will continue to be a priority for 2009.

These projects are currently in the planning or implementation stages:

The **Penn-American District Plan** will create a livable retail, office and residential neighborhood adjacent to the I-494 and I-35W interchange.

A plan for the **Airport South District**, located immediately south of the Minneapolis-St. Paul International Airport, will guide future land use, transportation, urban design and redevelopment of this important commercial and employment center. See page CR4.

The **Normandale Lake District** contains about 15 percent of the city's commercial and residential development potential. A distinctive gateway to Bloomington, the Normandale Lake District is already established as the

metropolitan area's preeminent suburban office location and home of a park reserve of regional significance.

Other developments include: Richdale Group's 418-unit apartment complex at 82nd Street and Stanley Avenue; Covington Apartments' 250 luxury rental apartment units on Green Valley Drive, just north of Normandale Lake Boulevard; and Richfield Bloomington Credit Union's proposed two-story development for Lyndale Avenue at West 96th Street that will include a financial institution, office and retail spaces, and two restaurants.

Advances in technology, excellent financial planning, a commitment to creating a more sustainable city through education, energy conservation and new initiatives will continue to position Bloomington as a model for other cities.

### THROUGHOUT THIS REPORT

The monthly expenses for City services described in this report use a median-priced home in Bloomington that has an assessor's market value, payable in 2009, of \$242,800, with monthly property taxes for City services of \$65.17.

### INSIDE

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Capital Projects and Debt Service.

Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

City of Bloomington Minnesota

for the Fiscal Year Ended

December 31, 2007



### FINANCIAL AWARDS

#### THE GOVERNMENT

Finance Officers Association (GFOA) of the United States and Canada has given the City of Bloomington the Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended December 31, 2007. This prestigious national award recognizes the City's conformance with the highest standards for preparation of state and local government popular reports.

The City of Bloomington has received the Popular Award for nine years, the Distinguished Budget Award for 12 years and the Certificate of Excellence in Government Reporting for the past 37 years.

We are passionate about sustainability! How many times can you find a form of the word sustainable in this report? Answer on page 8.

### 2008 Sustainable numbers



33

Percent of space in Bloomington set aside for PARKS AND OPEN SPACES.



360

Truckloads of DISEASED TREES Bloomington gives to District Energy in St. Paul to recycle.



90

Percent of runoff reduction in HARRISON PARK due to permeable asphalt parking lot and rain gardens.

## Sustainable Spotlight

Efforts to preserve and protect Bloomington's natural resources include developing a comprehensive storm water quality improvement program and **UPGRADING THE STORM WATER SYSTEM** to improve capacity and water quality.



## CITY OF BLOOMINGTON ORGANIZATIONAL CHART

**BLOOMINGTON'S CHARTER** provides for a council-manager government. The stability of our organization is reflected in the City having had only two city managers in the last 42 years.

The City Council and Mayor, who serve part time, are elected by the people, exercise legislative power and determine all City policies. Advisory boards and commissions gather information and advise the City Council on specific issues. Policy development and day-to-day operations are directed by the Council-appointed City Manager. The City Manager oversees the eight departments and the Technical Services Group that carry out the services, activities and policies of the City of Bloomington.



14

Years the City has had a **WATER EMERGENCY AND CONSERVATION PLAN**.



## YOUR TAX DOLLARS HARD AT WORK

### WHAT THE AVERAGE HOMEOWNER PAYS

**R**ESIDENTS RECEIVE a wide variety of City services at an affordable price. The cost of City services in 2009 for the owner of a median-priced, single-family home in Bloomington with an assessor's market value of \$242,800 is \$65.17 per month. Utilities also remain competitively priced in 2009. The value received from City services compares favorably to charges for other monthly bills.

Net property tax cost is obtained by subtracting all revenue sources other than the property tax from departmental expenditures. Water and sewer utilities are fee-based.

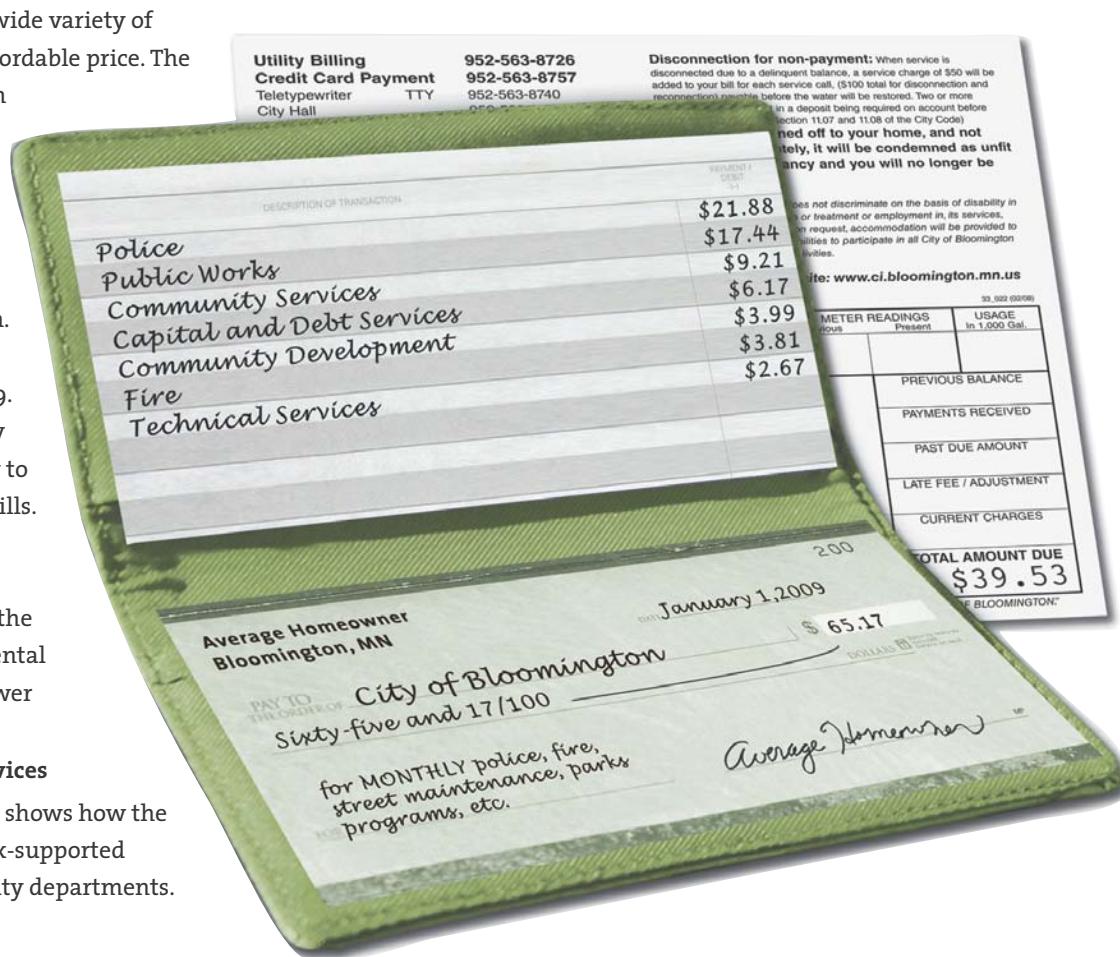
#### Property tax-supported services

The checkbox, *at right*, shows how the monthly cost of property tax-supported services is divided among City departments.

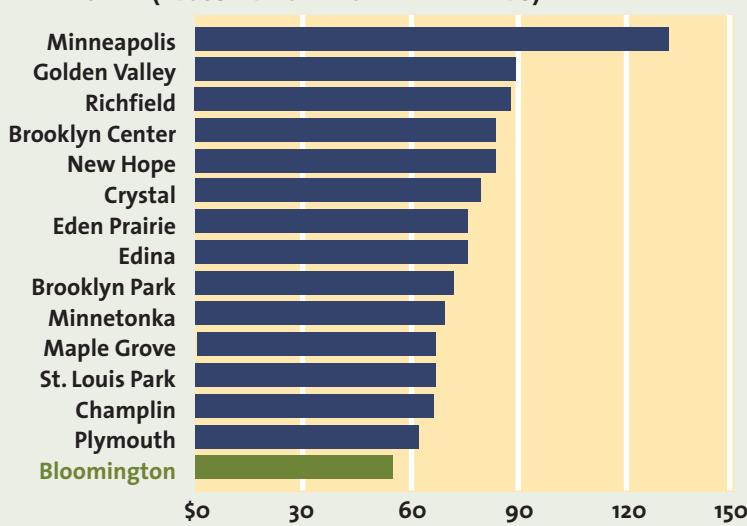
#### Monthly cost of utilities

Based on an average usage of 7,500 gallons per month, monthly cost of utilities for a home in Bloomington is \$39.53 in 2009. Services include water, sewer, stormwater and solid waste. See page 7 for more information on Utility costs.

*Note: Water bills are mailed bimonthly and average \$79.06 per bill.*



### 2009 SINGLE-FAMILY MONTHLY PROPERTY TAX PER MONTH (ADJUSTED FOR PROPERTY TAX AIDS)



*This graph depicts the monthly property tax-related service costs for the median-valued home in each city. Adjustments have been made to account for Local Government Aid and fiscal disparities.*

### MEETING DEMANDS WITH QUALITY CITY SERVICES

#### BLOOMINGTON RANKS WELL IN COMPARISON

**T**HE CITY continues to meet the needs of its residents while constantly looking for ways to improve and keep costs affordable. In a 2009 comparison of 15 communities in Hennepin County with more than 20,000 residents, the cost of City services for a single-family home in Bloomington ranked lowest at \$54.76, after adjusting for Local Government Aid and fiscal disparities. The graph at left illustrates the cost effectiveness of Bloomington services in terms of what the average homeowner pays around the metro area.

## YOUR 2009 TAX DOLLAR

**Y**OUR TAX DOLLAR is divided among several governmental entities. As the graphic shows, for every dollar of taxes paid, 29 cents are for City services. The actual amount of taxes owed is based on market value, tax law and the levy. The levy for all local governmental entities is spread across properties within each entity's respective boundaries using tax capacity, a function of market value and property type. After applying educational aids, a Bloomington homeowner with a median-valued home pays \$2,723 in property taxes. Of that, \$782, or \$65.17 per month, goes to the City for services. The remaining \$1,941 goes to the School District, County and other taxing districts.



34¢ Hennepin County

29¢ City of Bloomington

28¢ Bloomington School District

9¢ Other agencies

5

Private buildings that have, or will soon have, **LEADERSHIP IN ENERGY & ENVIRONMENTAL DESIGN (LEED) certification**.



27

**NATURAL PRAIRIES** in Bloomington that the City protects and restores.



## PROTECTING NATURAL RESOURCES

### A FUTURE WITH SUSTAINABILITY IN MIND

**T**HE CITY OF BLOOMINGTON works diligently to create an even more sustainable future for generations to come. What exactly does this mean? Sustainability is not about being static, but moving forward in ways that will increase opportunities for residents. To do that, Bloomington needs to continue to renew itself in every area. These ongoing City efforts are just a few examples of how we are preserving and protecting our natural resources toward an even more sustainable future. For more information, visit the City's website, [www.ci.bloomington.mn.us](http://www.ci.bloomington.mn.us), keyword: Sustainability.



### BETTER THAN REGULAR PAVEMENT

**A** NEW PERMEABLE asphalt parking lot and rain gardens were installed at Harrison Park, 1701 West 100th Street, to reduce runoff into Nine Mile Creek. The asphalt differed from the standard variety – it contained very little of the fine aggregate that normally creates a dense, impervious pavement.

The porous asphalt and rock base soaks up storm water and minimizes runoff that pollutes nearby Nine Mile Creek, reducing annual runoff by 90 percent.

"Initial monitoring of the area shows that the pavement is able to absorb at least 2.5 inches of rain water,"

reports Senior Engineering Technician Steve Segar.

Two rain gardens, one by the center parking median and one just off the entrance to Nine Mile Creek Trail, were also installed to collect runoff. In winter, no sand or salt are required. A plow removes excess snow; the remaining snow melts into the pavement.

Additional park sites in the city are being reviewed to receive the same treatment.

*"This is just one example of how Public Works is becoming more innovative and sustainable in its practices."*

*Public Works Project Coordinator*

*Jean Buckley*



### ADVANCES IN SNOW PLOWING AND REMOVAL

**I**N 2007, BLOOMINGTON RECEIVED nearly 36 inches of snow, compared with 45 inches of snow in 2008. Practicing better methods of safe, efficient snow and ice control, Street Maintenance experimented with melting agents other than the traditional salt and sand mix in 2008 and 2009.

"The goal is to have the best snow removal program in the state," Assistant



Maintenance Superintendent Jim Eiler said. "To accomplish this, we've been researching different snow removal materials and chemical applications."

Using melting agents exclusively provides better traction and makes snow and ice easier to remove. This method reduces the amount of sand applied to streets that must be swept in the spring to prevent runoff from reaching our ponds and wetlands. In winter 2007 - 2008, Street Maintenance used only 2,000 tons of sand, compared to 7,000 tons in

years past. Street Maintenance also began an "anti-ice" approach by applying liquid salt brine to roads before a snowstorm to prevent snow and ice from bonding to the pavement. New plow routes increased the efficiency and quality of snow plowing. Main arterial roads are now plowed by two trucks in tandem. In addition, treating salt with brown and green coloring has helped plow drivers see how much is actually being applied, so that the least amount necessary is used, saving time and money.

*"We've lived in Bloomington for more than 20 years and over the past few winters we've noticed a steady improvement in snow plowing. Thanks for the wonderful service."*

*Bloomington residents Rich Kessler and Marian Eisner*



### MOVING TOWARD A PAPERLESS FUTURE

**T**HE CITY IS CONSTANTLY SEARCHING for new, more sustainable ways to communicate using the latest technology. In 2008, the City of Bloomington launched *Ask the City*, an online customer service system that provides residents an easy way to ask a question, report a complaint and get a resolution quickly. *Ask the City* has answered nearly 3,000 questions and

*"We're really looking forward to using E-Subscribe. If a game gets rained out, we'll be able to send an e-mail alert to our subscribers."*

*Assistant Parks and Recreation Manager Greg Boatman*

**2,700**

Users on **ASK THE CITY**, the City's online service request and answers program.



**400**

Ponds and wetlands in Bloomington that FILTER STORMWATER RUNOFF.



*"With the energy-efficient improvements, we are able to keep our energy costs down. In turn we can keep our ice rental fees down, making programs more affordable."*

*Bloomington Ice Garden Manager Andy Baltgalvis*



### BIG IMPROVEMENTS EQUAL BIG SAVINGS

**B**LOOMINGTON ICE GARDEN'S (BIG) rink number one underwent a major renovation in 2007 - 2008 that is proving to be a BIG energy saver. The 37-year-old rink, which seats 1,800 people, has seen a lot of use since it opened more than four decades ago. The rink reconstruction included new concrete flooring, an energy-efficient refrigeration system, extended players' boxes and glass that enhances spectator viewing. The renovation replaces a failing, less-efficient cooling system with an efficient, multiuse floor. In addition, hot gas is recovered from the compressors and used to heat the building and sub-floor to keep frost from penetrating the ground. High-output fluorescent fixtures were installed in all three rinks, replacing the existing fixtures. The new fixtures deliver the same light output for about 50 percent of the power. Motion sensors were also installed in all bathrooms and locker rooms.

### Sustainable Spotlight

The City requires all retailers selling fertilizer to offer **PHOSPHORUS-FREE** products and encourages residents to use these more environmentally friendly products. How can you tell if fertilizer has no phosphorus? The middle number on the bag should be zero.



# PARTNERS IN SUSTAINABILITY

## RESIDENTS AND BUSINESSES IN THE FOREFRONT

**B**LOOMINGTON'S SUCCESS is centered on its people, neighborhoods, businesses and government. The City's vision for the future is to build and renew the community by providing quality services, promoting redevelopment and guiding growth in a more sustainable, fiscally sound manner. Although the City of Bloomington plays a key role as catalyst and planner, the City needs partners to help make the transformation.

Many businesses and residents are on board with this vision. They are the City's community partners in sustainability. By using renewable materials, alternative forms of transportation and smart design concepts, these partners are embracing a more sustainable future and helping guarantee that Bloomington remains **STRONG, STEADY** and **SUCCESSFUL**.

Here are a few examples of businesses and residents who are leading the way as stewards of the environment and their community.

## Sustainable Spotlight

Certified as a Leadership in Energy and Environmental Design (LEED) Accredited Professional by the U.S. Green Building Council, City Planner Michaela Ahern has the skills and knowledge required to facilitate a **LEED CERTIFICATION PROCESS**, which ensures a building project meets green building and performance measures.



### THE AIRPORT SOUTH DISTRICT SETS HIGH STANDARDS

#### CREATING A SUSTAINABLE PLACE TO LIVE, WORK AND PLAY

**B**LOOMINGTON IS PREPARING a plan for the Airport South District that is bordered by I-494 to the north, TH 77 on the west, and the Minnesota River on the south and east. The District contains 65 percent of the total development potential for the city.

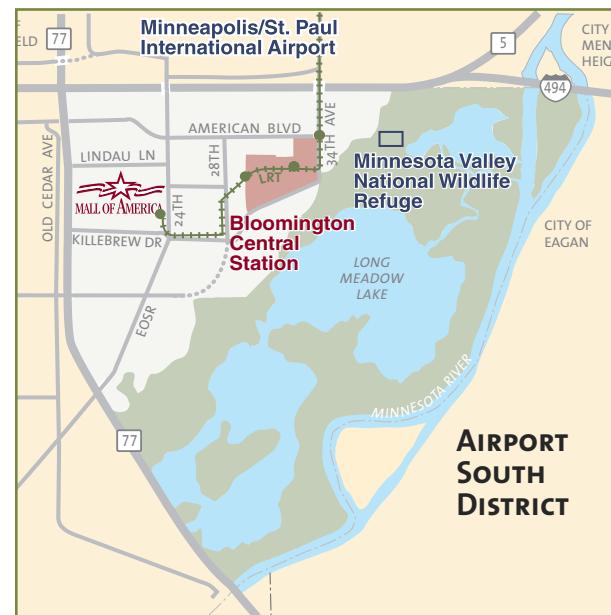
The goal of the plan is to build on the District's unique mix of assets, including:

- LRT and bus transit.
- Minneapolis-St. Paul International Airport.
- Regional highways.
- National Wildlife Refuge.
- Mall of America.
- Bloomington Central Station.

McGough Companies saw the potential in this area in 2001. They prepared plans for Bloomington Central Station, a mixed-use, transit-oriented development that incorporates

sustainable living spaces such as the Reflections condominiums, *see article below*, along with offices for work and parks and open spaces for relaxation and play.

The City is currently working with a marketing firm to help establish and promote the District as a branded place, emphasizing sustainability, quality, safety and comfort.



*"We wanted to create a plan that really complemented the transit and existing benefits of the area, such as the airport, Mall of America and the wildlife refuge."*

*McGough Project Manager Mark Fabel*

### EASY LIVING AT REFLECTIONS

#### RESIDENTS ATTRACTED TO SUSTAINABLE ASPECTS OF CONDOS

**T**HE "UNIQUE SYNERGY" of the residential and commercial areas" attracted Bloomington resident Jason Wilsey to purchase a home in one of Reflection's 17-story residential towers at Bloomington Central Station. The convenience of the light rail was a big selling point.



"I lived in Shakopee before this, so commuting downtown was a good hour's drive each way," Wilsey said.

According to Bloomington resident Brian Jacobs, purchasing a home in Reflections has completely changed his life for the better.

"I go to work at the airport in six minutes flat," Jacobs said. "I'm driving less than half of what I used to drive. I'm able to devote more time to my interior design clients and I have a great space to work out of my home and a great central location."

McGough Companies' Reflections is the first phase of a 43-acre, mixed-use, transit-oriented development along the Hiawatha LRT line, aimed at reducing reliance on automobile travel. The floor-to-ceiling insulated glass of

Reflections reveals the area's surrounding beauty, but it also serves to mitigate noise from the nearby airport, provides natural daylight and reduces energy costs for residents. For this and other construction features, Reflections was awarded Leadership in Energy and Environmental Design Certification for New Construction (LEED-NC) by the U.S. Green Building Council. LEED is the internationally recognized green building rating system that provides a framework for designing and constructing sustainable, energy efficient buildings.

Sustainable building materials and fitting in with the wildlife refuge nearby were McGough Companies' goals for Reflections.

*"To hop on the light rail and go downtown in less than 30 minutes time, even on the busiest days or in the worst weather, has completely changed the amount of time I have to devote to other things."*

*Reflections Resident Jason Wilsey*



**27,000**

Total Bloomington  
FARMERS MARKET  
attendees.



**22**

Years the City has been  
designated a "TREE CITY."



**2**

Times per year the City will  
mow the SLOW-GROWING  
FESCUE GRASS MIX being  
tested at Civic Plaza.



## QUALITY BICYCLE PRODUCTS ACCEPTS THE CHALLENGE

### ENJOYING THE RIDE TO A MORE SUSTAINABLE FUTURE

**Q**UALITY BICYCLE PRODUCTS (QBP), a wholesale distribution company that sells bicycle parts and accessories to retailers, prides itself on promoting bicycle use and making it easy for its employees to bike to work. The company provides incentives including extra pay, indoor bicycle storage, repair facilities, showers and lockers.

What's more, the Bloomington distribution center and office complex was built according to the U.S. Green Council's Leadership in Energy and Environmental Design (LEED) standards. President and Founder of QBP Steve Flagg is a longtime advocate of environmental stewardship, so it's no

surprise that when he decided to expand his business, he was going to make sustainable changes.

"Employees were very supportive. We give six percent of our profits back to employees in terms of bonuses, so it was clear that this could possibly impact our bonus-sharing program, yet people were pretty passionate about doing this," Flagg said.

The building features innovative wastewater technologies, high-efficiency appliances and a design capitalizing on natural light. The building is also outfitted with a 40-kilowatt solar panel array – the largest in the Upper Midwest.

Other QBP environmental initiatives include:

- Company-wide recycling program.
- Organics recycling program through Hennepin County.
- Bike tire recycling program.
- Energy-and-water-saving technology.

According to Flagg, his business is about bikes, but it's also about making the world a better place.



*"When we added on to the building, we decided that our goal would be to go for the gold in terms of LEED certification."*

*President and Founder of Quality Bicycle Products Steve Flagg*

## FRENCH CUISINE THAT'S FRESH AND LOCAL HOTEL SPECIALIZES IN SUSTAINABILITY WITH LOCALLY GROWN CUISINE

**A**CCORDING TO THE MINNESOTA Department of Agriculture, the average American meal travels 1,500 miles before reaching the dinner plate. Yet, consuming food that is locally grown or produced is better for the community and the environment. It's good for the community because purchasing products from local farmers and food processors keeps more money local. It's good for the

environment because eating locally greatly reduces the consumption of fossil fuels and wasteful packaging materials.

This is a concept that Hotel Sofitel understands. In fact, the entire Hotel Sofitel chain, which operates nearly 150 hotels around the world, including one in Bloomington, focuses on being more sustainable by buying locally and creating in-season dishes.

Influenced by French cuisine, which stresses fresh and local ingredients, Hotel Sofitel Food and Beverage



*"It always makes sense to look for products that are right at your doorstep because you can have direct contact with the suppliers. You are almost guaranteed a good product and if you ever have a problem you can talk to the producers directly."*

*Hotel Sofitel Food and Beverage Director Antoine Winckler*

## Sustainable Spotlight

The City of Bloomington encourages residents to **PROPERLY DISPOSE OF HAZARDOUS ITEMS**, which helps to protect the land, air and water from contamination. For more information on disposing of hazardous items call the South Hennepin Recycling and Problem Waste Drop-Off Center at 612-348-3777.



## MALL OF AMERICA ALWAYS AHEAD OF THE GAME STRONG COMMITMENT TO SUSTAINABILITY AND WASTE REDUCTION

**S**INCE THE MALL OF AMERICA (MOA) opened its doors in 1992, the retail giant has focused on sustainability. Ask Environmental Services Manager Lydell Newby and he'll tell you that MOA was sustainable before anyone even knew what sustainable meant. Newby, who has worked for the company since 1991, credits the building's design and the MOA leadership team's commitment to sustainability.

"The building is designed to be sustainable," Newby said. "We don't have a central plant or boilers to heat the building. Except for some electrical heat

in certain office areas, we use the sun, lighting and people's body heat."

Newby said proper ventilation and HEPA-filtered, recycled air help to positively pressurize the building, while concrete floors keep the building warmer.

In addition to the energy efficient aspects of the Mall's design, since it opened in 1992, MOA has implemented numerous recycling programs that include glass, plastic, cardboard, paper products and waste oil. But MOA doesn't stop there.

If you don't finish your meal while dining in one of the Mall's 50

restaurants, your leftovers won't be tossed in a landfill. They'll be turned into feed for pigs. More than 150 tons of feed a month is produced using MOA's food waste.



*"The recycling programs work out well for everyone and they've been really well received. It's good for us and good for the community."*

*Environmental Services Manager Lydell Newby*



280



Trees sold at the City's Tree Sale, ensuring that Bloomington's **URBAN FOREST** continues to grow.



300

Volunteers that have **REMOVED INVASIVE BUCKTHORN** from City parks.



7

West metro communities, including Bloomington, with most **ALTERNATIVE TRANSPORTATION** commuters.

## 2009 OPERATING REVENUE SOURCES

**THE CITY'S MAJOR FUNDS** fall into the categories of General, Enterprise, Debt Service, Capital Projects, Internal Service and Special Revenue. Shown on the next three pages, these funds demonstrate how quality City services provide a good value for your tax dollar.

Bloomington's low property tax rate is maintained by maximizing other funding sources, continuing to encourage growth of the City's diverse tax base and looking at new ways to bolster productivity. By diversifying revenue, the City is in a strong position to withstand economic shifts.

Property taxes	\$42,939,295
Fees/charges	25,147,731
Program income	7,317,568
Lodging/admissions	6,006,965
Licenses/permits	4,257,550
Intergovernmental	3,458,151
Transfers/other	3,563,113
Special assessments	2,006,000
Interest	1,380,794
Fines/forfeitures	1,238,311
Franchise fee	1,104,000
Total revenues	\$98,419,478

## 2009 BUDGETED EXPENDITURES BY FUND

<b>THE CITY OF BLOOMINGTON'S</b>	
budgeted expenditures for 2009	
total \$101,121,657.*	
General Fund	\$54,759,553
Enterprise Funds	35,878,241
Debt Service Funds	5,902,991
Special Revenue Funds	4,580,872
Total expenditures	\$101,121,657

\* The \$2,702,179 difference between 2009 revenues and expenditures is the planned expenditure(s) of reserves for Capital Projects.



## THE GENERAL FUND

**THE GENERAL FUND**, which accounts for a majority of City services, is Bloomington's primary operating fund. It uses current revenues to fulfill current expense obligations. This section contains specific information about each department within the General Fund.

	2007 EXPENDITURES	2008 EXPENDITURES	2009 BUDGET	NET PROPERTY TAX*
<b>POLICE</b>	<b>\$17,128,476</b>	<b>\$17,971,760</b>	<b>\$19,122,299</b>	<b>\$21.88</b>
	The Police Department works with the community to make the city a safe place to live, and partners with residents and businesses to address their diverse needs.			
<b>PUBLIC WORKS</b>	<b>\$11,140,737</b>	<b>\$11,496,089</b>	<b>\$11,808,895**</b>	<b>\$17.44</b>
	Public Works provides safe and efficient transportation routes throughout Bloomington; maintains the City's streets, parks, vehicles and public facilities; and reviews the impact construction and development projects will have on local and regional infrastructure.			
<b>COMMUNITY SERVICES</b>	<b>\$8,090,615</b>	<b>\$8,463,548</b>	<b>\$8,694,034</b>	<b>\$9.21†</b>
	Community Services offers human services programs, manages parks and recreational activities, produces communication materials and provides public health services. † Recreational facilities funding is \$1.51 of this total.			
<b>COMMUNITY DEVELOPMENT</b>	<b>\$5,443,013</b>	<b>\$5,729,802</b>	<b>\$6,079,924</b>	<b>\$3.99</b>
	Community Development partners with the community to enhance Bloomington through planning, economic development and redevelopment activities. The department promotes health and safety by obtaining compliance with state and City codes.			
<b>FIRE</b>	<b>\$2,803,766</b>	<b>\$2,879,090</b>	<b>\$2,985,022</b>	<b>\$3.81</b>
	The Fire Department protects the community by performing rescues; responding to fires, emergencies and hazardous materials incidents; and teaching fire prevention.			
<b>TECHNICAL SERVICES</b>	<b>\$2,051,061</b>	<b>\$2,232,513</b>	<b>\$2,340,372</b>	<b>\$2.67</b>
	Technical Services furnishes licensing, assessment, elections, records management and cemetery services to Bloomington's residents as well as internal technology support to City departments.			
<b>FINANCE</b>	<b>\$1,167,229</b>	<b>\$1,117,022</b>	<b>\$1,225,505</b>	<b>***</b>
	Finance provides financial management and internal support services to other departments.			
<b>LEGAL</b>	<b>\$1,003,464</b>	<b>\$1,007,081</b>	<b>\$1,102,407</b>	<b>***</b>
	Legal prosecutes misdemeanors and advises the City Manager, City Council, City departments, and advisory boards and commissions.			
<b>HUMAN RESOURCES</b>	<b>\$565,096</b>	<b>\$646,530</b>	<b>\$779,232</b>	<b>***</b>
	Human Resources recruits and assists in hiring staff, oversees employee benefit programs and conducts employee relations activities on behalf of the City.			
<b>COUNCIL, COMMISSIONS, CITY MANAGER</b>	<b>\$635,176</b>	<b>\$594,528</b>	<b>\$745,155</b>	<b>***</b>
	Bloomington is governed by an elected, part-time City Council consisting of a mayor and six councilmembers. Legislative power is vested in this Council, which appoints citizens to advisory commissions, and a City Manager, who is responsible for the administration of City business. The City Manager appoints all other employees and performs duties as directed by the Council.			

\* Net property tax is the portion of the levy allocated to these services per month.

\*\* Includes \$1.44 million in a separate levy for the Pavement Management Program.

\*\*\* These administrative services are allocated to other General Fund budgets and programs.

## Sustainable Spotlight

The American Institute of Architects recognized Bloomington in the *Local Leaders in Sustainability: A Study of Green Building Programs in our Nation's Communities* as one of three Minnesota cities with populations greater than 50,000, to have a **NOTABLE SUSTAINABILITY INITIATIVE**.



SUSTAINABLE



97

Dedicated PARK AREAS located in Bloomington.



22,000

Bloomington homeowners eligible for the energy-efficient HOME IMPROVEMENT TAX CREDIT.



59,412

Customers served at the SOUTH HENNEPIN RECYCLING AND PROBLEM WASTE DROP-OFF CENTER.





## ENTERPRISE FUNDS

**T**HESSE FUNDS consist of utilities, recreational facilities and contractual police services primarily supported by user fees.

		2007 EXPENDITURES	2008 EXPENDITURES	2009 BUDGET	AVERAGE FEE PER MONTH
COMMUNITY SERVICES	RECREATIONAL FACILITIES	\$6,705,691	\$4,663,093	\$4,851,673	\$1.51*
PUBLIC SAFETY	CONTRACTUAL POLICE	500,431	1,220,359	540,000	--
PUBLIC WORKS	SOLID WASTE MANAGEMENT	812,881	718,309	1,245,136	2.42**
	STORM WATER UTILITY	3,148,801	4,661,140	5,756,318	5.01
	WASTE WATER UTILITY	9,042,153	10,456,323	10,594,117	12.82
	WATER UTILITY	12,486,977	11,439,505	12,290,348	19.28***
TECHNICAL SERVICES	MOTOR VEHICLE OFFICE	533,709	553,673	600,649	--

- \* Amount is included in the \$9.21 that the property owner of a median-valued home pays for Community Services per month.
- \*\* Not including a 61 cent recycling credit residents receive per month from a county grant.
- \*\*\* Based on 7,500 gallons per month.



## INTERNAL SERVICE FUNDS

**T**HESSE FUNDS FINANCE interdepartmental goods and services on a cost-reimbursement basis from a variety of end-user funds. Internal Service Funds are supported by interdepartmental user fees already included as expenses to other funds in this report.

	2007 EXPENDITURES	2008 EXPENDITURES	2009 BUDGET
EQUIPMENT POOL	\$5,523,643	\$5,838,725	\$5,586,161
FACILITIES REPLACEMENT	3,823,387	3,096,094	4,586,107
INFORMATION SYSTEMS	2,895,813	3,409,983	4,324,189
INSURED BENEFITS	6,832,480	7,581,860	8,650,029
PUBLIC SAFETY RADIO	197,442	765,313	417,269
SUPPORT SERVICES	1,124,216	712,121	763,277
SELF-INSURANCE	1,195,270	1,619,438	1,369,000
ACCRUED BENEFITS	1,697,392	1,552,704	1,636,376



## SPECIAL REVENUE FUNDS

**T**HESSE FUNDS ACCOUNT FOR REVENUES used for specific purposes including housing and community development, communications, public health initiatives and law enforcement activities.

	2007 EXPENDITURES	2008 EXPENDITURES	2009 BUDGET	FUNDING
COMMUNITY DEVELOPMENT	AIRPORT SOUTH ENVIRONMENT REVIEW	\$163,747	\$156,966	\$576,000 Environmental review fees
COMMUNITY SERVICES	COMMUNICATIONS	969,437	1,166,856	1,592,296 Franchise fee/other fund charges
	PUBLIC HEALTH SPECIAL REVENUE	796,704	756,420	983,256 State grants
PUBLIC SAFETY	POLICE SPECIAL REVENUE	2,207,883	1,823,611	1,429,320 Forfeited assets and grants and one-time reimbursement*/property taxes**

\* Used for specific police capital and operating expenses.

\*\* If the City is required to fund Bloomington's Fire Pension Fund, the tax levy will be the funding source.

## MAINTAINING BLOOMINGTON'S WATER QUALITY



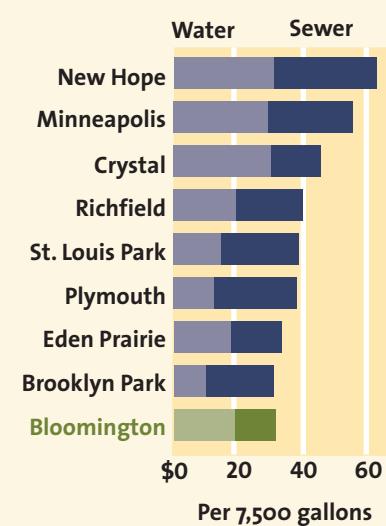
**T**HE CITY has two laboratories to help maintain federal, state and local water quality standards. The *Process Control Laboratory* opened more than 35 years ago at the Sam H. Hobbs Water Treatment Facility. Each day the lab runs tests to control and ensure that the water treatment plant is operating correctly. The state-certified *Tri-City/William Lloyd Analytical Laboratory* originally opened in 1967 and relocated from the city of Edina to Bloomington's updated facility in 2002. This lab monitors our groundwater supply, purchased water from the city of Minneapolis and water quality throughout Bloomington's distribution system. As federal and state standards change, the laboratories adapt and provide testing services to uphold the safety of our drinking water supply. See *Water Quality Report insert*.

## 2009 RESIDENTIAL WATER AND SEWER RATE SURVEY

**M**ONTHLY COSTS TO RESIDENTS in nine cities for water and sewer service in 2009 range from \$31.35 per 7,500 gallons in Bloomington to \$62.02 in New Hope. Most of these cities, including Bloomington, soften their water before distribution to residents.

The City's softened water and sewer services are bargains at only 1 cent per 2.4 gallons – another example of how the City's quality services are a good value.

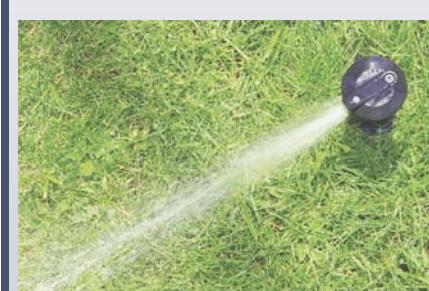
### 2009 MONTHLY COSTS FOR WATER AND SEWER SERVICES



*Minnesota state law, Chapter 156 of the Session Laws of 2005, requires that "a city or county with a population of more than 15,000 must annually notify its residents of the positions and base salaries of its three highest-paid employees." For the City of Bloomington, names, titles and salaries are: Mark Bernhardson, City Manager – \$154,569; Karl Keel, Public Works Director – \$144,619; and Larry Lee, Director of Community Development – \$140,188.*

## Sustainable Spotlight

Public Works closely monitors Bloomington's daily water use to be sure that there are no problems keeping up with demand. To CONSERVE WATER and prevent evaporation, the City recommends mowing your lawn to a height of 2.5 to three inches.



342



Miles of STREETS AND BIKE LANES SWEPT each year by Street Maintenance.

7,708



Tons of paper, bottles and cans recycled by residents in the City's CURBSIDE RECYCLING PROGRAM.

662



Households that receive POWER FROM WIND through Xcel Energy's WindSource program.

**WHAT DO YOU THINK?**

**D**IRECT COMMENTS and suggestions to the Finance Department, e-mail: [finance@ci.bloomington.mn.us](mailto:finance@ci.bloomington.mn.us), phone: 952-563-8790. Visit [www.ci.bloomington.mn.us](http://www.ci.bloomington.mn.us) to find out more about City services.

**CAPITAL PROJECTS**

**C**APITAL PROJECTS purchase and improve major assets such as land, structures, equipment and streets.

2007 EXPENDITURES	2008 EXPENDITURES	2009 BUDGET
\$13,897,703	\$25,295,319	\$66,276,552

**Sustainable Spotlight**

The City holds workshops to educate residents about the benefits of **RAIN GARDENS**. For more information, visit the City's website, keywords: Rainwater gardens.

**ABOUT THIS REPORT**

**T**HE CITY COUNCIL presents this corporate report of financial and related information to show how Bloomington's city government performs. This publication does not include Housing and Redevelopment Authority or Port Authority budgets.

**Mayor**

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Vern Wilcox, 952-854-1425 (h)

**City Manager**

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**Comprehensive Annual Financial Report**

The City of Bloomington reports financial year-end results in the more than 190-page *Comprehensive Annual Financial Report (CAFR)*. The *Corporate Report to the Community* summarizes the most significant data from the 2008 CAFR and the 2009 Annual Budget, and is consistent with Generally Accepted Accounting Principles. The report reflects the net tax cost by service expenditure developed by crediting related revenues against appropriate expenditures and allocating local taxes against the remaining balance.

*The City of Bloomington Corporate Report to the Community* is unaudited. This popular report format has been used for the past eight years and is also available on our website at [www.ci.bloomington.mn.us](http://www.ci.bloomington.mn.us).

For a complete review of the City's financial position for 2007, consult the 2007 CAFR, available from the Hennepin County Library, Bloomington Finance Department or the City's website. For more information on the 2009 Annual Budget, visit the City's website or call 952-563-8790.

*Answer: A form of the word sustainable is mentioned in this report 57 times (including here and on the search suggestion on page 1).*

**300**

Bloomington residents and employees that participated in the **COMMUTER CHALLENGE**.

**LYNDALE AVENUE BRIDGE**

**T**HE RECONSTRUCTION of the Lyndale Avenue Bridge over I-494 began in October 2008. The project has a budget of \$30 million. Additional maintenance costs will be under \$5,000. The bridge is currently under construction and is scheduled for completion prior to Thanksgiving 2009.

Improvements include replacing the existing bridge with a single-point diamond interchange that will accommodate the future widening of I-494. The new bridge will be similar in design to the Penn Avenue Bridge. The project will also include removal of portions of the I-494 south frontage road (West 78th Street) to accommodate new exit and entrance ramps. The new bridge will provide additional traffic capacity and safety improvements.

The Lyndale Avenue Bridge project sets the stage for the eventual reconstruction of I-494/I-35W, a project being planned by the Minnesota Department of Transportation.



**PAVEMENT MANAGEMENT**  
**T**HE PAVEMENT MANAGEMENT Program is a funding and implementation plan for repair, maintenance and reconstruction of Bloomington roadways. Identified needs are funded through state aids, assessments and an annual levy. For maximum efficiency, the most cost-effective time to repair streets is calculated and the funding needs are levied over several years. In 2009, approximately \$5.35 million will be spent for street reconstruction and \$3.17 million for overlaying existing pavement.

**AIRPORT SOUTH DISTRICT PLAN**

**M**ORE THAN \$52 million of non-property tax funds has been budgeted over the next five years for infrastructure improvements in this developing district. The City's vision for a distinct mixed-use area will take advantage of a unique location adjacent to the 12th-busiest airport in the U.S. and a national wildlife refuge. See page CR 4.

The project is being funded by business tax revenues and is in its third year of a revised 10-year program. Anticipated 2009 capital expenditures total \$4.67 million, including \$439,000 for road improvements and \$1 million for an electronic signage project. A total of \$2.83 million was budgeted for the 28th Avenue Light Rail Transit Station site improvements. An additional \$10,000 in maintenance costs will be included in the final operating budget.

**DEBT SERVICE**

2007 EXPENDITURES	2008 EXPENDITURES	2009 BUDGET	AVERAGE NET PROPERTY TAX COST PER MONTH
\$4,725,159	\$11,123,386	\$5,902,991	\$6.13

**M**ANY COMMUNITY NEEDS must be met by the City of Bloomington, including street and infrastructure work, construction projects and equipment purchases. The ability to issue future debt at lower interest rates will provide for our community's upkeep and renewal without substantially increasing property taxes for debt service. In 2007, the City refinanced \$5.6 million of the Center for the Arts debt to pay off bonds in 2008 to lower debt service cost. Both debt issues were accounted for in 2008.

**OUTSTANDING DEBT**

**T**HE CITY'S TOTAL OUTSTANDING DEBT on December 31, 2008, was \$49,845,000. The total legal debt limit for Bloomington is \$236 million. The City's net debt per capita is \$445. See right. More than half of Bloomington's debt will be paid off in 10 years – a sign of strong financial management.

The Port Authority has outstanding debt of \$40.3 million which will be paid off from TIF revenues and local liquor and lodging taxes.

**CITY OF BLOOMINGTON BONDS**

General Obligation (G.O.) Bonds	\$ 5,590,000
G.O. Improvement Bonds	37,210,000
G.O. Tax Increment Bonds	6,180,000
Enterprise Fund Revenue Bonds	865,000
<b>TOTAL</b>	<b>\$ 49,845,000</b>
<i>Less: Funds on hand</i>	<i>(11,819,094)</i>
<b>TOTAL NET DEBT</b>	<b>\$ 38,025,906</b>
<b>NET DEBT per capita</b>	<b>\$ 445</b>

**PORT AUTHORITY BONDS**

Special Tax Revenue Refunding	\$ 24,600,000
Lease Revenue Bonds	15,735,000
<b>TOTAL</b>	<b>\$ 40,335,000</b>

**5**

PARK AND RIDE LOTS in Bloomington, not including the 28th Avenue LRT Station.

**870**

Traffic lights switched to more **ENERGY-EFFICIENT LED LIGHTS** since 1999.